

THE ISLAND CLUB ASSOCIATION, INC.

Establishment of a Reserve Fund Resolution

Dated this 13th day of January, 2007

The Island Club Association shall establish a **Reserve Fund** at "less reserves than required by" Section 718.112(2)(f), Florida Statutes and as defined below:

- A). The Reserve Fund's purpose shall be that of major replacements or repairs costing more than \$10,000 of any Common Elements.
- B). This Reserve Fund shall be funded by:
- 1). A \$25 Reserve assessment to be added to the monthly maintenance, with the following stipulations:
 - a). The first 50% of the Reserve assessment shall be allocated to the Reserve Fund for the specific purpose of replacing the Common Elements defined in A) above only.
 - b). The other 50% shall also be allocated to the Reserve Fund **but may be made available** for expenses not covered by the yearly Operating Budget.
 - 2). At least 25% of the monies collected for dockage fees shall be allocated to the Reserve Fund for the specific purpose of replacing the Common Elements defined in A) above only.
 - a). The remaining 75% of dockage fees will be made available to the yearly Operating Budget.
 - b). To the extent that the yearly Operating Budget allows, more than 25% of the dockage fees may be placed in the Reserve Account by the Board of Directors.
- C). The Reserve Fund Assessment, as defined in B) above, shall be placed in the existing investment accounts as follows;
"Reserve Account Other" – Reserve available for expenses not covered by the yearly Operating Budget;
"Reserve Replacement" – Reserve for replacing Common Elements only;
"Reserve Account Dock" – Dock Project assessments only.
All monies in the existing investment account as of December 31, 2005 **minus** any remaining monies collected for the Special Dock Project assessment were placed in the "Reserve Account Other". All remaining monies collected for the Special Dock Project assessment were placed in the "Reserve Account Dock".
- D). All moneys allocated to the Reserve Fund shall only be used for the purposes indicated above unless modified by a majority vote of the unit owners or as specified in the Associations Documents or Florida Statutes whichever takes precedent.

This resolution was voted on and approved by a majority membership vote at the 2007 Annual Meeting of The Island Club Association, Inc. and is included into the Associations Documents as is deemed appropriate.

Date: _____

Signed by the Secretary of the board:

Sharon Pickard: _____